

U.S. Senate
Republican Policy
Committee

Larry E. Craig, Chairman
Jade West, Staff Director
No. 4

Legislative Notice

Editor, Judy Gorman Prinkey

March 17, 1999

S. 544 — Emergency Supplemental Appropriations and Rescissions, FY99

Calendar No. 28

Reported by the Appropriations Committee on March 4, 1999, by a vote of 28-0.

NOTEWORTHY

- S. 544, the Senate bill, as reported, includes a total of \$1.894 billion in new budget authority. These new appropriations are matched by \$1.894 in rescissions and program deferrals. The bill includes \$1.563 billion in emergency appropriations and \$331 million in non-emergency appropriations. [See attached chart.]
- The bill includes \$977 million in disaster assistance for Central American countries devastated by Hurricane Mitch and for earthquake damage in Colombia. It doubles the Administration's request for agricultural relief, providing a total of \$308 million. Funding in the amount of \$100 million is provided to Jordan for continued support following King Hussein's death.
- Also, S. 544 includes (1) language prohibiting the federal government from withholding an estimated \$19 billion from all 50 states as "recoupment" from the tobacco settlement; (2) a \$1 billion loan guarantee program to support the domestic steel industry added by Senator Byrd; (3) an extension on the current moratorium on the proposed oil royalty rule from June until the end of September 1999; (4) a required 120-day public comment period on a forthcoming National Academy of Science study on proposed Surface Mining Reclamation Rules for Locatable Mineral Operations; and (5) extension of the Airport Improvement Program through May 1999.
- The House has marked up its version of this spending bill, appropriating some \$1.3 billion, which is mostly offset. Offsets include foreign aid programs. All but about \$90 million in the bill is designated emergency spending. The House bill did not include tobacco "recoupment" language.

BILL PROVISIONS

Department of Agriculture

- The Committee provided a total of \$307.9 million to fund emergency spending within the Agriculture Department. Of that total, \$152.4 million is emergency appropriations (and is the same as the amount requested by the Administration) and the remaining \$155.5 million is contingent emergency appropriations (not requested).
- **Low-Income Migrant and Seasonal Workers:** \$20 million for emergency grants to provide assistance to farm workers in areas of California and Florida impacted by natural disasters.
- **Farm Service Agency:** \$42.8 million for salaries and expenses to cover the cost of additional temporary staff to expedite the delivery of emergency and disaster assistance to farmers and ranchers.
- **Agriculture Credit Insurance Fund Program Account:** a total of \$110 million, of which \$105.6 million is for loan subsidies, including \$41.3 million to support an estimated \$175 million in emergency disaster loans to provide assistance to farmers and ranchers for farmland, livestock, and crop damages resulting from natural disasters. The bill also includes \$29.9 million to support an estimated \$200 million in additional direct farm ownership loans; \$5.6 million to support an estimated \$350 million in guaranteed farm ownership loans; \$12.6 million to support an estimated \$185 million in additional direct farm operating loans; and \$16.2 million to support an estimated \$185 million in additional subsidized guaranteed farm operating loans.
- **Emergency Conservation Program:** \$30 million to provide cost-sharing assistance to farmers and ranchers for farmland damaged by natural disasters.
- **Commodity Credit Corporation Fund:** \$3 million for livestock indemnity program assistance for damages caused by natural disasters.
- **Watershed and flood prevention operations:** \$100 million to reduce hazards to life and property in watersheds damaged by natural disasters.
- **Rural Housing Service:** \$1.5 million for the Rural Housing Insurance Fund Program Account to support \$11 million in additional housing loans and low-income repair loans in Puerto Rico and an additional \$1 million for rural housing assistance grants to repair damages as a result of Hurricane Georges in Puerto Rico.

Wye Accord

- **Economic Support Fund:** \$50 million is provided for economic assistance to Jordan for its key role in the peace process and for continued support. However, the Committee, after

consultation with the Administration, has deferred the remaining \$800 million in requested funding to implement the Wye agreement until later this year.

- **Foreign Military Financing Program:** \$50 million is provided to Jordan to meet key modernization requirements of the Jordanian Armed Forces.

Agency for International Development

- **Central America and Caribbean Emergency Disaster Recovery Fund:** \$611 million for economic damages caused by hurricanes and the earthquake in Colombia.
- **International Disaster Assistance:** \$35 million for recovery efforts.

Department of the Treasury

- **International Development Assistance:** \$41 million for multilateral assistance debt restructuring.

Department of the Interior

- **U.S. Fish and Wildlife Service:** \$12.6 million for construction to repair damage due to rain, winds, ice, snow and other acts of nature in the Pacific Northwest and Nevada.

Federal Emergency Management Agency (FEMA)

- **Disaster Assistance:** \$313.6 million for awarding disaster assistance to states for unmet disaster needs. The Committee has transferred responsibility for the emergency funding of unmet needs in Presidentially-designated disaster areas to FEMA due to HUD's continued failure to implement an effective emergency disaster relief program for the "unmet needs" of states.

Immigration and Naturalization Service

- **Enforcement and Border Affairs:** The Administration has requested \$80 million in increased funding ostensibly for detention for Central Americans displaced by Hurricane Mitch. In fact, INS has failed to adequately budget for the mandatory detention of criminal and illegal aliens subject to deportation. The Committee is now faced with a crisis similar to that of six months ago, and thus it provides the requested \$80 million. The INS has indicated that an addition \$31 million will need to be reprogrammed to fund bed space needs in FY 1999.

Department of Commerce

- **National Oceanic and Atmospheric Administration:** \$1.9 million to support research, management, and enforcement of new regulations in the Northeast multi-species fishery. The Committee does not recommend funding an additional supplemental request of \$3.12 million due to funding constraints.

The Judiciary

- **Supreme Court of the United States:** \$921,000 to fund the hiring and equipping of 36 additional police officers to staff the security posts established to improve security for the Supreme Court.

Department of Defense

- The Department of Defense has requested a total of \$188.5 million within the jurisdiction of the Defense subcommittee in new budget authority to address the emergency costs due to the recent hurricanes in Central America. The request designated \$132.5 million to replenish operation and maintenance and military personnel accounts used during the response effort, and \$55.9 million to fund expanded U.S. National Guard and Reserve New Horizons exercises. After consultation with the Department of Defense, the Committee recommends a total of \$209.7 million for military personnel and operations and maintenance accounts:
- **Military Personnel:** \$11.2 million, of which \$2.9 million is for Army Reserve, \$7.3 million for Army National Guard, and \$1 million for Air National Guard.
- **Operations and Maintenance (O&M):** \$198.5 million, of which \$50 million is for the Army; \$16 million is for the Navy; \$8 million is for the Air Force; \$21 million is for Operations and Maintenance, Defense-Wide; \$20 million is for the Army National Guard; \$37.5 million is for Overseas Humanitarian, Disaster, and Civic Aid (OHDACA); and \$46 million is for New Horizons Exercise Transfer Fund.

Department of the Interior

- **Bureau of Indian Affairs:** \$1.1 million for suppression of western spruce budworm on the Yakama Indian Reservation, where the budworm infestation has reached epidemic levels on 55,000 forested acres.
- **Bureau of Land Management:** \$6.8 million for the Office of the Special Trustee for American Indians to support implementation of the Trust Management Improvement Project.

RESCISSIONS AND OFFSETS

The Senate Appropriations Committee offsets the new budget authority in the bill by cutting more than \$1 billion from last year's omnibus appropriations by making other cuts. These offsets and deferrals amount to \$1.894 billion and include:

- \$285 million rescission from the Food Stamp Program. Revised estimates indicate that these funds will not be obligated and will expire at the end of the fiscal year.
- \$118 million rescission from Commerce, Justice, and State Appropriations Subcommittee, including \$65 million from funds previously appropriated for the Immigration and Naturalization Service's salaries and expenses (exempted from this rescission are Border Patrol hiring and programs to reduce the backlog in the naturalization process); and \$43

million from State Department funds previously appropriated for contributions to international organizations and peacekeeping activities.

- \$209.7 million in rescissions from funds previously appropriated to the Department of Defense Operation and Maintenance, Defense-wide account, due to unanticipated savings in lower purchase cost of fuel.
- \$100 million in rescissions from the Foreign Operations Appropriations Subcommittee, including \$70 million from unobligated funds for Multilateral Economic Assistance (-\$60 million from the Global Environment Facility and -\$10 million from international organizations and programs; and \$30 million from unobligated funds for Bilateral Economic Assistance.
- A deferral of \$350 million in Temporary Assistance for Needy Families (TANF) funds until October 1, 2001, since many states have unobligated balances that totaled \$3 billion to \$3.5 billion. Bill language has been included to ensure that the deferral of funds would come only from states having unobligated balances.
- \$313.6 million rescission from the emergency community development block grants (CDBG) fund account, Department of Housing and Urban Development, since the Committee is transferring the responsibility for the emergency funding of unmet needs in Presidentially-designated disaster areas to FEMA.
- \$10 million rescission from the Climate Change Technology Initiative (VA-HUD Appropriations Subcommittee). The amount remaining for FY 1999 represents \$10.2 million above the prior year level.
- \$343 million reduction in non-DoD emergency appropriations in division B of last year's omnibus appropriations bill (P. L. 105-277).
- \$100 million reduction in non-defense discretionary spending from revised economic assumptions from inflation adjusted accounts.

General Provisions

- Establishes a \$1 billion revolving emergency steel loan guarantee program to provide near-term relief for U.S. steel producers. The Secretary of Commerce, as Chairman of the Board established in the bill, is directed to oversee the program.
- Provides a 120-day public comment period following publication of the National Academy of Sciences' report on the proposed Surface Mining Reclamation Rules for Locatable Mineral Operations (Section 2002).
- Extends the moratorium of the issuance of oil royalty regulations from June until the end of FY 1999 (Section 2003).
- Extends the Airport Improvement Program through May 31, 1999 (Section 2008).

Prohibits the federal government (Health Care Financing Administration, HCFA) from taking part of the revenue (about \$19 billion out of a total of \$246 billion) as "recoupment" from the tobacco settlement negotiated by tobacco companies and the states (Section 2011).

ADMINISTRATION POSITION

The statement of administration policy was not available at press time.

COST

S. 544, the Senate bill, as reported, includes a total of \$1.894 billion in new budget authority and a total of \$1.894 billion in rescissions and offsets, much of it from last year's omnibus appropriations bill [P.L. 105-277]. All funds recommended in this bill are either mandatory spending, emergency funding requirements, offset herein, or are within the remaining limits of the 302(a) allocations of the Committee.

CBO estimates the following outlays: \$-71 million for FY 1999; \$-21 million for FY 2000; \$670 million for FY 2001; \$725 million for FY 2002; and \$746 million for FY 2003.

POSSIBLE AMENDMENTS

Specter. Add "The Unfair Foreign Competition Act of 1999" (S. 528, introduced on March 3, 1999) to allow for an injured party to bring a cause of action in a federal court against the dumping or subsidization of foreign products.

Rockefeller. Add "The Stop Illegal Steel Trade Act of 1999" (S. 395).

Kennedy. Require states to spend 50 percent of the funds collected from the settlement with the tobacco industry on health, education, and tobacco-related initiatives. Of the 50 percent, at least 35 percent must be allotted for programs directly related to reduce smoking. The remainder could be used for a variety of healthcare and child development initiatives, except in tobacco-growing states where 25 percent of this money could be used to provide transition assistance to tobacco farmers.

Specter/Harkin. Imposing state mandates on use of tobacco settlement funds.

Durbin. Authorize medicare lawsuits.

Murray. 100,000 teachers.

Staff contact: Judy Myers, 224-2946

FY99 Supplemental Appropriations and Rescissions

(Budget Authority, \$ in millions)

S. 544, as reported

	<u>Request</u>	<u>Committee Reported</u>
<u>Emergency Items</u>		
Agriculture		
Emergency grants low-income migrant and seasonal workers.....	0	20
Farm Service Agency salaries and expenses.....	43	43
Agricultural credit insurance fund.....	110	110
Emergency conservation program.....	0	30
Livestock indemnity program.....	0	3
Watershed and flood operations.....	0	100
Rural housing insurance fund.....	0	2
Rural housing assistance grants.....	0	1
Total, Agriculture.....	152	308
Wye Accord		
<u>Jordan:</u>		
Economic support fund.....	50	50
Foreign military financing.....	50	50
<u>West Bank & Gaza:</u>		
Economic support fund.....	200	0
<u>Israel:</u>		
Foreign military financing.....	600	0
Total, Wye Accord.....	900	100
Central America & Caribbean		
<u>Foreign Operations subcommittee:</u>		
Economic support fund.....	621	611
Multilateral assistance debt restructuring.....	41	41
AID international disaster assistance.....	25	35
<u>Defense subcommittee:</u>		
DoD O&M disaster relief transfer fund:		
Emergency.....	188	0
Non-emergency.....	0	210
Commerce-Justice subcommittee:		
INS salaries & expenses:		
Emergency.....	80	0
Non-emergency.....	0	80

	<u>Request</u>	<u>Reported</u>
Total, Central America & Caribbean.....	956	977
Emergency.....	956	687
Non-emergency.....	0	290
 Interior		
USFWS construction.....	0	13
Holocaust memorial council.....	0	2
 VA-HUD		
FEMA disaster assistance.....	0	314
 Emergency steel loan guarantee act.....	0	140
 <u>Non-Emergency Items</u>		
Speed up FCC spectrum auction.....	language	none
 Commerce-Justice		
NOAA.....	5	4
Supreme Court salaries and expenses:		
Emergency.....	1	0
Non-emergency.....	0	1
 Interior		
Office of special trustee for American Indians.....	7	7
 Labor-HHS-Ed		
Corp for Public Broadcasting.....	11	18
 Military Construction		
Military Personnel, Army National Guard	0	11
 VA-HUD		
HUD management and administration.....	0	0
 <u>Offsets</u>		
Agriculture:		
Food stamp program.....	0	(285)
 Commerce:		
Non-defense.....	0	(118)

	<u>Request</u>	<u>Committee Reported</u>
Defense:		
Emergency.....	(882)	0
Non-emergency.....	0	(210)
Foreign Operations.....	(18)	(40)
Global environmental facility (GEF).....	0	(60)
Interior.....	(7)	(7)
Labor-HHS-Ed.....	(6)	(24)
TANF (deferral).....	0	(350)
Military Construction.....	0	(11)
VA-HUD:		
Emergency.....	0	(314)
Non-emergency.....	0	(10)
Unanticipated needs.....	(10)	0
Chapter 1, title V, division B of P.L. 105-277.....	0	(23)
Reduction in non-DoD emergency appropriations in division B of P.L. 105-277.....	0	(343)
Reduction in non-defense discretionary spending from revised economic assumptions.....	0	(100)
Total, offsets.....	(922)	(1,894)

RECAPITULATION

Supplementals:		
Emergency.....	2,009	1,563
Non-emergency.....	23	331
Subtotal.....	2,032	1,894
Offsets:		
Emergency.....	(882)	(680)
Non-emergency.....	(40)	(520)
Mandatory.....	0	(285)
TANF (deferral).....	0	(350)
Global environmental facility (GEF).....	0	(60)
Subtotal.....	(922)	(1,894)
Net bill.....	1,109	(1)

Prepared by Senate Appropriations Committee